AMENDED IN SENATE APRIL 26, 2011

AMENDED IN SENATE MARCH 22, 2011

SENATE BILL No. 616

Introduced by Senator DeSaulnier
(Coauthor: Senator Alquist)

February 18, 2011

An act *to add Article 5.7 (commencing with Section 14187) to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code,* relating to public health.

LEGISLATIVE COUNSEL'S DIGEST

SB 616, as amended, DeSaulnier. Medi-Cal: ~~grants.~~ *grants: prevention of chronic diseases.*

Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services, under which basic health care services are provided to qualified low-income persons. The Medi-Cal program is, in part, governed and funded by federal Medicaid provisions.

Under federal law, the Patient Protection and Affordable Care Act, the Centers for Medicare and Medicaid Services will award grants pursuant to the Medicaid Incentives for Prevention of Chronic Diseases Program to selected states for a program that provides financial and nonfinancial incentives to Medicaid beneficiaries who participate in prevention programs and demonstrate changes in health risk and outcomes.

This bill would require the department to pursue this grant. This bill would also require, if California is awarded a grant, the department to design, implement, and report on the program, as prescribed.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) The President of the United States signed comprehensive health reform into law on March 23, 2010. The federal Patient Protection and Affordable Care Act (Public Law 111-148) and the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152) represent a significant reform of the nation's health delivery system, including many provisions designed to promote prevention, wellness, and patient-centered health outcomes.

(b) Federal health reform has several provisions that focus on prevention and health promotion, including community-based obesity prevention programs, community transformation grants, nutrition labeling, individualized wellness plan pilots, and workplace wellness programs.

(c) Under the federal Patient Protection and Affordable Care Act (Public Law 111-148), states may apply to the federal Centers for Medicare and Medicaid Services (CMS) for grants to fund programs that demonstrate changes in health risk and outcomes, including, but not limited to, the adoption of healthy behaviors.

(d) CMS has announced an invitation for proposals from states to compete for grant awards under the Medicaid Incentives for Prevention of Chronic Diseases Program for a program that provides financial and nonfinancial incentives to Medicaid beneficiaries who participate in prevention programs and demonstrate changes in health risk and outcomes. The purpose of the Medicaid Incentives for Prevention of Chronic Diseases Program is to test and evaluate the effect of state grant awarded programs on the use of health care services by Medicaid beneficiaries participating in the program, the extent to which populations, including, but not limited to, adults with disabilities, adults with chronic illnesses, and children with special health care needs, are able to participate in the program, the level of satisfaction of Medicaid beneficiaries with respect to the accessibility and quality of health care services provided through

the program, and the administrative costs incurred by state agencies responsible for the administration of the program.

(e) California has a strong history of public health prevention programs, including, but not limited to, one of the nation's leading tobacco control programs. Since 1989, there has been a 35 percent decrease in smoking prevalence, a 61 percent decline in per capita cigarette consumption, and a decrease in lung cancer incidence that is over three times the rate of decline seen in the rest of the nation. Collectively, the program's efforts have saved the state $86 billion in direct health care costs.

(f) Unfortunately, California's priority populations remain at greater risk of tobacco use, disease, and death. African American males continue to have the highest smoking prevalence, 21.3 percent, compared to their counterparts in all other major race and ethnicity groups who smoke at a range between 14.9 percent and 17.2 percent, inclusive. African American and non-Hispanic white females also have significantly higher smoking prevalence rates, of 17.3 percent and 12.5 percent respectively, compared to Hispanic and Asian and Pacific Islander females whose smoking prevalence rates are 7.1 percent and 5.5 percent, respectively. However, the most startling evidence of disparity lies with smoking prevalence among low-income populations.

(g) Rising health care costs are recognized as an unsustainable growing component of the state budget. A National Health Policy Forum paper reported that, "unless the need for health care is reduced by significantly improving the health of the American people, it will be difficult if not impossible to bring health care costs under control." Further, it has been noted that offering interventions that address the behavioral or social circumstances that influence participation in preventive health services may contribute to improving health and decreasing growth in health care expenditures.

(h) California will be a national model for public health interventions and prevention and wellness programs. Communities and individuals must be empowered to make changes that best address their circumstances and resource needs.

~~SEC. 2.~~

SEC. 2. Article 5.7 (commencing with Section 14187) is added to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, to read:

Article 5.7. Incentives for Prevention of Chronic Diseases Program

14187. (a) The State Department of Health Care Services shall pursue a Medicaid Incentives for Prevention of Chronic Diseases Program grant, as established pursuant to the federal Patient Protection and Affordable Care Act (Public Law 111-148), to offer incentives to Medi-Cal enrollees who adopt healthy behaviors and habits.

(b) The department shall submit a notice of intent to apply and a complete grant application to the federal Centers for Medicare and Medicaid Services (CMS). The application shall address at least one of the following prevention goals:

(1) Tobacco cessation.

(2) Controlling or reducing weight.

(3) Lowering cholesterol.

(4) Lowering blood pressure.

(5) Avoiding the onset of diabetes or improving the management of the condition.

(c) If California is awarded a Medicaid Incentives for Prevention of Chronic Diseases Program grant, the department shall do all of the following:

(1) Apply annually for incremental funding.

(2) Design and implement a program in accordance with the Medicaid Incentives for Prevention of Chronic Diseases Program that operates for at least three years to provide financial and nonfinancial incentives to Medi-Cal beneficiaries of all ages who participate in prevention programs and demonstrate changes in health risk and outcomes, including, but not limited to, the adoption of healthy behaviors. The program shall be designed and uniquely suited to address the needs of Medi-Cal beneficiaries to help individuals achieve one or more of the following:

(A) The cessation of the use of tobacco products.

(B) Control or reduction in weight.

(C) Lower cholesterol.

(D) Lower blood pressure.

(E) The avoidance of the onset of diabetes, or in the case of a diabetic, an improvement in the management of that condition.

(3) Ensure that the program is comprehensive, evidence-based, widely available, and easily accessible. The program shall use

relevant evidence-based research and resources, including, but not limited to, the Guide to Community Preventive Services, the Guide to Clinical Preventive Services, and the National Registry of Evidence-Based Programs.

(4) Engage in an outreach and education campaign to make Medi-Cal beneficiaries and Medi-Cal participating providers aware of the program.

(5) Work collaboratively to develop the program, incorporate stakeholders in the process, conduct a state-level evaluation, and fulfill reporting requirements specified by CMS.

(6) Develop and implement a system to do all of the following:

(A) Track Medi-Cal beneficiary participation in the program and validate changes in health risk and outcomes with clinical data, including, but not limited to, the adoption and maintenance of health behaviors by participating beneficiaries.

(B) To the extent practicable, establish standards and health status targets for Medi-Cal beneficiaries participating in the program and measure the degree to which the standards and targets are met.

(C) Evaluate the effectiveness of the program and provide any evaluations to the United States Secretary of Health and Human Services and the relevant fiscal and policy committees of the *California* Legislature.

(D) Report to the United States Secretary of Health and Human Services and the relevant fiscal and policy committees of the *California* Legislature on processes that have been developed and lessons learned from the program.

(E) Report on preventive services as part of required reporting on quality measures for Medicaid managed care programs.

(d) The ~~requirements~~ *reporting requirements to the relevant fiscal and policy committees of the California Legislature* in subparagraph (C) or (D) of paragraph (6) of subdivision (c) ~~to provide a report to committees of the Legislature~~ shall become inoperative on January 1, 2016.

(e) The department may enter into arrangements with providers participating in Medi-Cal, community-based organizations, faith-based organizations, public-private partnerships, Indian tribes, or similar entities or organizations to carry out the program.

(f) To the extent permitted by federal law, any incentives provided to a Medi-Cal beneficiary participating in a program

described in this section shall not be taken into account for purposes of determining the beneficiary's eligibility for, or amount of, benefits under the Medicaid program or any program funded in whole or in part with federal funds.

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